

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION</b>	1. TRANSMITTAL NUMBER:  <b>03-36</b>	2. STATE  <b>Louisiana</b>
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE: <b>September 21, 2003</b>	

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT


COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:  <b>42 CFR 447.298</b>	7. FEDERAL BUDGET IMPACT: a. FFY <u>2003</u> <u>\$0.00</u> b. FFY <u>2004</u> <u>\$0.00</u>
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  <b>Attachment 4.19-A, Item 1, Page 10j Attachment 4.19-A, Item 1, Page 10j(1) Attachment 4.19-A, Item 1, Page 10j(2)</b>	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): <b>Same (TN 01-10) Same (TN 02-13) Same (TN 03-26 Proposed)</b>

10. SUBJECT OF AMENDMENT: **The purpose of this amendment is to revise the qualifying criteria and the payment methodology for disproportionate share payments to small rural hospitals.**

11. GOVERNOR'S REVIEW (Check One):

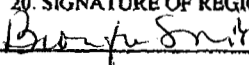
☐ GOVERNOR'S OFFICE REPORTED NO COMMENT☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL☒ OTHER, AS SPECIFIED: **The Governor does not review state plan material**

12. SIGNATURE OF STATE AGENCY OFFICIAL: 	16. RETURN TO: <b>State of Louisiana Department of Health and Hospitals 1201 Capitol Access Road PO Box 91030 Baton Rouge, LA 70821-9030</b>
13. TYPED NAME: <b>David W. Hood</b>	
14. TITLE: <b>Secretary</b>	
15. DATE SUBMITTED: <b>September 23, 2003</b>	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:	18. DATE APPROVED: <b>MAY 17 2004</b>
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PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: <b>SEP 21 2003</b>	20. SIGNATURE OF REGIONAL OFFICIAL: 
21. TYPED NAME: <b>Charlene Brown</b>	22. TITLE: <b>Deputy Director, CMSO</b>

23. REMARKS:

STATE OF LOUISIANA  
PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - IN-PATIENT HOSPITAL CARE

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b. Small Rural Hospitals

- 1) A Small Rural Hospital is defined as a hospital (other than a long-term care hospital, rehabilitation hospital, or free-standing psychiatric hospital but including distinct part psychiatric units) that meets the criteria below.

A qualifying hospital:

- a) has no more than sixty beds as of July 1, 1994; and: 1) is located in a parish with a population of less than fifty thousand; or 2) is located in a municipality with a population of less than twenty thousand.

OR

- b) meets the qualifications of a sole community hospital under 42 CFR §412.92(a).

OR

- c) effective October 1, 1999, has no more than sixty hospital beds as of July 1, 1999, and is located in a parish with a population of less than 17,000 as measured by the 1990 census;

OR

- d) effective October 1, 1999 has no more than sixty hospital beds as of July 1, 1997 and is a publicly owned and operated hospital; and: 1) is located in a parish with a population of less than fifty thousand; or 2) is located in a municipality with a population of less than twenty thousand;

OR

- e) effective August 8, 2001, has no more than sixty hospital beds as of June 30, 2000 and is located in a municipality with a population of less than 20,000 as measured by the 1990 census;

OR

- f) effective August 8, 2001, has no more than sixty hospital beds as of July 1, 1997 and is located in a parish with a population of less than fifty thousand as measured by the 1990 and 2000 census;

OR

TN# 03-36

Approval Date MAY 17 2004

Effective Date SEP 21 2003

Supersedes

TN# 01-10

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
MEDICAL ASSISTANCE PROGRAM

ATTACHMENT 4.19-A  
Item 1, Page 10 j (1)

STATE OF LOUISIANA  
PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - IN-PATIENT HOSPITAL CARE

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g) effective August 8, 2001, was a facility licensed by the Department that had no more than sixty hospital beds as of July 1, 1994, which hospital facility has been in continuous operation since July 1, 1994, is currently operating under a license issued by the Department, and is located in a parish with a population of less than fifty thousand as measured by the 1990 census;

OR

- h) has no more than 60 hospital beds or has notified the Department as of March 7, 2002 of its intent to reduce its number of hospital beds to no more than 60, and is located in a municipality with a population of less than 13,000 and in a parish with a population of less than 32,000 as measured by the 2000 census.

OR

- i) has no more than 60 hospital beds or has notified DHH as of December 31, 2003, of its intent to reduce its number of hospital beds to no more than 60; and is located in a municipality with a population of less than 7,000, as measured by the 2000 census; and is located in a parish with a population of less than 53,000, as measured by the 2000 census; and is located within 10 miles of a United States military base;

OR

- j) has no more than 60 hospital beds as of September 26, 2002; and is located in a municipality with a population of less than 10,000, as measured by the 2000 census; and is located in a parish with a population of less than 33,000, as measured by the 2000 census;

OR

- k) has no more than 60 beds as of January 1, 2003; and is located in a municipality with a population of less than 11,000, as measured by the 2000 census; and is located in parish with a population of less than 90,000, as measured in the 2000 census.

- 2) Payment is based on uncompensated cost for qualifying small rural hospitals in one of the following pools:

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TN# 03-36

Approval Date MAY 17 2004

Effective Date SEP 21 2003

Supersedes

TN# 02-13

STATE OF LOUISIANA  
PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - IN-PATIENT HOSPITAL CARE

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- a) Public (non-state) Small Rural Hospitals are small rural hospitals as defined above which are owned by a local government; OR
  - b) Private Small Rural Hospitals are small rural hospitals as defined above that are privately owned; OR
  - c) Small Rural Hospitals as defined above in sections 1)i) through 1)k).
- 3) DSH payments to small rural hospitals are prospective and paid once per year for the federal fiscal year. Payment is equal to each qualifying hospital's pro rata share of net uncompensated costs from the hospital's latest filed cost report for all hospitals meeting these criteria multiplied by \$54,273,081 which is the state appropriation for disproportionate share payments allocated for this pool of hospitals for SFY 2003 - 2004. Net Uncompensated Cost is the cost of furnishing inpatient and outpatient hospital services, net of Medicare costs, Medicaid payments (excluding disproportionate share payments), costs associated with patients who have insurance for services provided, and all other inpatient and outpatient payments received from patients. If the cost reporting period is not a full period (twelve months), actual uncompensated cost data for the previous cost reporting period may be used on a pro rata basis to equate to a full year.
- 4) A pro rata decrease necessitated by conditions specified in I.D.2.a. above for hospitals described in this section will be calculated based on the ratio determined by dividing the hospitals' uncompensated costs by the uncompensated costs for all qualifying hospitals in this section, then multiplying by the amount of disproportionate share payments calculated in excess of the federal DSH allotment. No additional payments shall be made after the final payment for the state fiscal year is disbursed by the Department. Recoupment shall be initiated upon completion of an audit if it is determined that the actual uncompensated care costs for the state fiscal year for which the payment is applicable is less than the actual amount paid.
- 5) Qualifying hospitals must meet the definition for a small rural hospital contained in I.D.3.b.1). Qualifying hospitals must maintain a log documenting the provision of uninsured care as directed by the Department.

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TN# 03-36  
Supersedes  
TN# 03-26

Approval Date MAY 17 2004

Effective Date SEP 21 2003